

T-Mobile US sells 500,000 iPhones in a month

May 8 2013, by David Mchugh

T-Mobile US Inc., the last of the major U.S. carriers to start carrying iPhones, is selling them at a brisk pace, it reported Wednesday.

T-Mobile US, the No. 4 U.S. carrier, said it has sold half a million iPhones since it started on April 12. That puts its sales at roughly the same rate as [Sprint Nextel](#) Corp., the No. 3 carrier, which has far more customers.

The company said late last year that it planned to sell the [iPhone](#), which helped it keep customers in the first three months of the year. As previously reported, it saw a small increase in customers under its own brand for the first time in four years. Analysts believe the customers were holding out for the iPhone.

T-Mobile US's parent [Deutsche Telekom](#) AG, discussed the U.S. business as it reported a 3.5 percent increase in [net profit](#) in the first quarter to 564 million euros (\$739 million) from 545 million euros in the same quarter a year ago. Earnings rose in part because the company saw smaller deductions for the depreciation of its U.S. business.

Deutsche Telekom completed a merger of T-Mobile USA with [MetroPCS](#) Communications Inc. on April 30, creating the new T-Mobile US Inc. Deutsche Telekom owns 74 percent of the new company, while the rest went to MetroPCS shareholders.

T-Mobile USA, which had been losing contract customers, switched to a

new "Un-carrier" approach in March and started selling phones on installment plans.

Deutsche Telekom AG also said it had 300 million euros less in accounting-related reductions related to the merger, which is part of a turnaround effort. As the No. 4 mobile provider, T-Mobile USA has struggled against bigger competitors.

Otherwise, sales and earnings slipped at Deutsche Telekom.

Revenue fell 4.5 percent to 58.7 billion euros, while adjusted operating earnings—which exclude financial items such as depreciation related to the merger—declined 4.3 percent to 4.29 billion euros. That still exceeded the analyst predictions for 4.24 billion euros compiled by financial information provider FactSet.

At T-Mobile USA, the company made 5.32 billion euros in operating earnings, down 5.6 percent in euro terms, as revenue slipped 8 percent to 15.37 billion euros. The company said service revenue fell as more customers opted for the new contracts, reducing operating earnings.

Elsewhere, the company said its subsidiaries in Europe battled a slow economy and increased regulation. The [company](#)'s expenditure on capital investments rose some 40 percent to over 3 billion euros as it spent money on acquiring radio frequencies in the Netherlands.

Deutsche Telekom shares rose 3.4 percent to 9.44 euros in morning trading in Frankfurt.

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